



OFFICE OF MAYOR JERRY SANDERS

FOR IMMEDIATE RELEASE

Saturday, March 04, 2006

SANDERS CALLS ON EMPLOYEE LABOR UNIONS TO MEDIATE PENSION ISSUES

San Diego -- Mayor Jerry Sanders today called on 4 employee labor unions to mediate their conflicts over the legality of the pension benefits instead of fighting them out in court. The Mayor sent a letter to the employee unions on Friday making the recommendation (letter follows this release).

Mayor Sanders is making the recommendation for two simple reasons: 1) It will cost the City less money – funds that would otherwise go to fund General Fund expenses such as parks, police and fire services are being spent on attorneys; and 2) it will take less time. If these cases remain in the courts system, it could take as much as 5 to 6 years to determine the legality of the benefits granted in 1996 and 2002. Mediation would take significantly less time.

“Regardless of what side of this issue you may be on, our citizens deserve calm, reasoned discussion – not the theatrics that we have so often seen. The circus like atmosphere that we have all created results in nothing other than the loss of public confidence,” commented Mayor Sanders. “I believe that mediation will calm things down. It will make the discussions more productive. And it will hopefully avoid the political and media posturing -- on both sides -- that often result when you appear in open court.”

The Mayor today put forward the concept. Details will have to be worked out between the City and labor unions.

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JERRY SANDERS
MAYOR

March 3, 2006

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Dear Concerned Parties:

As you know, each of your organizations is a party to the pension litigation pending before Judge Jeffrey Barton or the litigation pending in federal court. As mayor, I am concerned about the toll these lawsuits are taking on the City and its employees. These lawsuits raise many unresolved issues and are impeding the City's financial recovery and the rehabilitation of the City's reputation. The unresolved nature of this litigation creates uncertainties for all parties concerned. I am determined to bring the issues raised to the quickest possible resolution. It is in everyone's best interest to bring the parties together and work towards resolving these disputes. I believe that Judge Barton has also encouraged the parties to mediate the state litigation. In fulfillment of his suggestion, I am proposing that all parties seek a mediated settlement to all outstanding disputes.

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There are two pending lawsuits in which the City's labor unions are parties. The Municipal Employees' Association, Local 145 of the International Association of Firefighters, and Local 127 of the American Federation of State, County and Municipal Employees are parties to the consolidated case entitled *San Diego City Employees' Retirement System v. Aguirre and the City of San Diego*, San Diego Superior Court Case No. GIC 841845 (consolidated with *San Diego City Employees' Retirement System v. City of San Diego*, San Diego Superior Case No. GIC 851286). This case also includes a previously consolidated lawsuit entitled *Abdelnour, et al. v. City of San Diego*, which was filed on behalf of 190 individual non-union plaintiffs. Pending in federal court is *San Diego Police Officers' Association v. Aguirre and the City of San Diego* (USDC Case No. CV 1581 H).

Additionally, as you probably know, there are several pending pension-related lawsuits which were filed by Attorney Michael Conger on behalf of current or future retirement beneficiaries. In these cases, the respective plaintiff classes seek to address the City's funding of the pension system.

As a concerned party, I am sure you share my concerns regarding the uncertainty created by these lawsuits. In the end, for our City to function, these issues must be resolved. Therefore, it is imperative that we sit down together, with all of the parties, and make a good faith effort to resolve these issues.

Judge Lawrence Irving (ret.) has agreed to act as a mediator of all outstanding disputes amongst and between the parties. Therefore, I am proposing that we conduct a series of settlement conferences before Judge Irving for the purpose of resolving all outstanding issues and disputes. Judge Irving has scheduled a preliminary and tentative date to meet with us on March 22, 2006.

We hope that you will be in attendance on March 22 so that we can further explore the possibilities of a settlement of these disputes.

Very truly yours,


JERRY SANDERS
Mayor

cc: Michael Conger, Counsel for Plaintiffs McGuigan and Newsome
Reginald Vitek, Counsel for SDCERS
Michael Aguirre, San Diego City Attorney